

**Testimony on behalf of Public Service Commission  
Chairman Bill Gallagher, Public Service Commission (phone 444-6199)**

In support of  
**Senate Bill 140**  
March 4, 2011

Chairman Vance and members of the Committee,

Senate Bill 140 is requested by the Public Service Commission. The Commission seeks to define "charter service" and exempt certain motor carriers from regulation by the Commission. These changes are necessary to clarify which motor carriers are exempt from regulation by the PSC.

First, the Commission seeks to define "charter service" in order to clarify that motor carriers with the characteristics identified in SB 140 do not have rates that are subject to approval by the PSC. Congress preempted the rate regulation of motor carriers who operate in "charter service." The definition of "charter service" provided in SB 140 contains the elements the PSC, the United States Department of Transportation and a majority of the passenger transportation industry in the State believe are important.

Second, when Congress preempted the regulation of "charter bus transportation" in the Transportation Equity Act for the 21<sup>st</sup> Century, a definition of "charter bus transportation" was not included in the act. Therefore, it was up to the individual states to define which motor carriers are exempt from regulation under "charter bus transportation." SB 140 exempts motor carriers who operate in charter service, have a USDOT number and use a vehicle designed to transport more than 26 passengers. Since 2008, the PSC has used more than 10 passengers as a demarcation for determining its jurisdiction and originally proposed a 10 passenger limit in SB 140. SB 140 was amended in the senate at the request of the motor carrier industry with the Commission's agreement to increase its regulatory responsibility to include vehicles with a seating capacity up to 26 passengers. Additionally, a provision to "grandfather" motor carriers who were not previously subject to regulation by the Commission was added.

Finally, SB 140 exempts motor carriers transporting a group of employees to or from a work site under contract with the employer for a period of time of at least one year from regulation by the PSC. Exempting motor carriers transporting an employer's employees to and

from a work site is appropriate because a business should have broad discretion in selecting a motor carrier with whom to contract to transport its employees.

In summary, the Commission believes the legislature is the appropriate forum for determining which motor carriers are regulated and believes SB 140 will clarify the Commission's jurisdiction regardless of the passenger capacity selected. The Commission is in full support of SB 140 and believes this bill will clarify the Commission's authority for regulating motor carriers by clearly defining which motor carriers are exempt from regulation.

Therefore, the PSC recommends a Do Pass on Senate Bill 140.